ON-SITE SYSTEMS, INC.

A PUBLIC UTILITY CO.

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OFFICE OF THE EXECUTIVE SEGRETARY

April 15, 2002

Mr. David Waddell **Executive Secretary** Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE:

Docket #02-00172 - Petition of On-Site Systems, Inc. to amend its Certificate of

Convenience and Necessity - Goose Creek Area

Dear Mr. Waddell:

Due to an oversight on my part, the proposed tariff sheet did not include provisions for bonding that are required by Williamson County. In addition, I should have included commercial rates for this area.

Please replace the sewer service billing summary sheets submitted with the attached sheets.

I apologize for any inconvenience my oversight has caused the TRA.

Sincerely,

Charles Pickney, Jr., President

On-Site Systems, Inc.

7638 River Road Pike Nashville TN 37209-5733 (615) 356-7294 Fax (615) 356-7295

On-Site Systems, Inc. Sewer Service Billing Summary Residential Sewer Rates

System	Monthly Charge
Oakwood Subdivision – Maury County	\$36.67
Southridge Subdivision – Montgomery County	\$19.38 + act cost
Swan Harbor – Roane County	\$35.11
River Road Utility District – Cheatham County	\$31.15
Milcrofton Utility District – Williamson County	\$37.21
Tall Oaks Subdivision – Blount County	\$35.11
Yoakum Hollow Dev. (Windsor Pt) - Campbell County	\$35.11
Shreibman Development - Cannon County	\$35.11
Cornerstone of Mitchell Creek - Overton County	\$35.11
Bolton Area – Shelby County	\$32.68
Ussery #1- Sevier County	\$35.11
Harbor Pointe – Dekalb County	\$35.11
Hidden Springs Resort - Sevier County	\$35.11
Eagle Crest Development – Sevier County	\$35.11
Legacy Bay – Hawkins County	\$35.11
Dollywood Project - (Dream Catcher Ridge) - Sevier County	\$35.11
Homestead Suddivision - Sevier County	\$35.11
Rice Property - DeKalb County	\$35.11
East Stewart – Stewart County	\$30.98 – Lagoon \$35.11 – Sand Gravel Filter

Sheet #2-A Original

On-Site Systems, Inc. Sewer Service Billing Summary Residential Sewer Rates

Jackson Bend Subdivision – Blount County	\$35.11	
Browning Subdivision – Knox County	\$35.11	
City of Coopertown - Robertson County - Lagoon - Sand-Gravel Filter	\$30.98 + 3% Franchise fee \$35.11 + 3% Franchise fee	
Eagle Springs – Sevier County	\$35.11	
Horseshoe Bend – Bedford County	\$35.11	
Eagle Crest II	\$35.11	

PROPOSED

Goose Creek Area Lagoon Sand-Gravel Filter

\$36.58 (includes bonding costs) \$40.71 (includes bonding costs)

Tariff Rate Sheet

Commercial Sewer Rates - with food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$100 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$94.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$18.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

<u>Disposal</u>

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$170.00	\$192.00	N/A
<u>Laqoon</u>	\$142.00	\$163.00	N/A
* Off Site	N/A	N/A	Pass through costs & \$94.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$210.00
1,001 gallons to 2,000 gallons above expected design flow	\$220.00
Over 2,000 gallons above expected design flow	\$220.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%

Bonding costs will be passed through to customers

Tariff Rate Sheet

Commercial Sewer Rates - without food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$75 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$73.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$140.00	\$165.00	N/A
<u>Lagoon</u>	\$116.00	\$140.00	N/A
* Off Site	N/A	N/A	Pass through costs & \$73.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$175.00
1,001 gallons to 2,000 gallons above expected design flow	\$200.00
Over 2,000 gallons above expected design flow	\$200.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%

Bonding costs will be passed through to customers

On-Site Systems, Inc. Sewer Service Billing Summary

Commercial Sewer Systems

Townsend Town Square
Blount County
Coopertown
Robertson County
East Stewart
Stewart County

Highway 31 Project (Herndon's BP Robertson County

Lyles Texaco Hickman County

Topside Business Park Blount County

PROPOSED

Goose Creek Area Williamson County





7639 Highway 70 South P.O. Box 210287 Nashville, TN 37221 615-646-4556 Fax 615-646-0121

January 24, 2002

On-Site Systems, Inc. 7638 River Road Pike Nashville, TN 37209

RE: Performance Bonding for Sewer System Maintenance

Dear Mr. Pickney:

Per your request, PrimeTrust Bank is pleased to provide letters of credit for On-Site Systems, Inc. that will serve as performance bonding for sewer system maintenance.

As an example, a \$250,000 letter of credit would be issued for a year at a cost of $1\frac{1}{2}\%$ (\$3,750.00). Depending on the amount of the letter of credit and the security arrangements, the cost can vary.

Please bring your specific project need to us and we will do our best to meet them.

Sincerely,

Jason K. West

President

JKW/ts

REGULATIONS

FOR
WASTEWATER TREATMENT
AND
LAND DISPOSAL SYSTEMS

WILLIAMSON COUNTY, TENNESSEE

April 12, 2000

REGULATIONS FOR WASTEWATER TREATMENT AND LAND DISPOSAL SYSTEMS WILLIAMSON COUNTY, TENNESSEE

TABLE OF CONTENTS

	SEC	TION 1.0 - GENERAL	Page
	1.1	PURPOSE	
	1.2	AUTHORITY	3
	1.3	JURISDICTION	4
	1.4	POLICY	4
	1.5	ENACTMENT	4
	1.6	INTERPRETATION, CONFLICT AND SEPARABILITY	4
	1.7	SAVING PROVISIONS	5
	1.8	DEFINITIONS	5
	1.9	SUBMITTAL AND REVIEW PROCESS	5-6 7.8
		Table 1.9 - DESIGN DEVELOPMENT REPORT REQUIRED	7-8
		INFORMATION	9-10
		Table 1.9.1 - DETAILED SOIL INVESTIGATION REPORT	3-10
1/		¬ REQUIRED INFORMATION	11-12
7	(1.10	ASSURANCE FOR COMPLETION AND OPERATION OF	11-12
11		IMPROVEMENTS (BONDING REOUREMENTS)	13
	1.11	OWNERSHIP OF WASTEWATER TREATMENT SYSTEM	
		AND DISPOSAL SYSTEM SITE	14
	CTC CY	EVON A A DECOMPOSITION OF THE PROPERTY OF THE	
	SEC	TION 2.0 REQUIREMENTS FOR WASTEWATER SYSTEMS	
	2.1	GENERAL	
	2.2	SLOW RATE LAND TREATMENT	15
	2.3	PEOUREMENTS FOR DRIP IN GRAPE COLUMN	16-60
	4.0	REQUIREMENTS FOR DRIP EMITTER SYSTEMS 1. Buffer Zones, Public Access and P.	61
		Buffer Zones, Public Access and Protection of Water Supply Wells	
		2. Surface Drainage and Run-Off Control	61
		3. Distribution Systems, Maintenance and Construction	62
	2.4	OTHER REQUIREMENTS	62-64
	2.5	AUXILIARY DISPOSAL SITES	64-65
		TOTAL MET DISTORAL STIES	66-68

REGULATIONS FOR WASTEWATER TREATMENT AND LAND DISPOSAL SYSTEMS WILLIAMSON COUNTY, TENNESSEE

1.10 <u>ASSURANCE FOR COMPLETION AND OPERATION OF</u> <u>IMPROVEMENTS (BONDING REQUIRMENTS)</u>

It is the intention of these regulations that a performance bond be required for all projects utilizing an non-traditional wastewater treatment and disposal system, utilizing land as the disposal location for the wastewater. The bond shall be equal to 150% of the cost for the wastewater treatment and disposal system. This bond shall include the cost of all the facilities, land, and improvements to the land in order to build the wastewater treatment and land disposal system. The construction cost for all of the components of the wastewater collection, treatment and disposal system shall be included in the performance bond. This bond shall be in place for a minimum period of three (3) years after 80% build-out of the development or project.

Agent, Applicant, Developer shall be required to execute a performance agreement consistent with and in accordance with these regulations for the provision of the wastewater treatment and disposal system and maintenance which shall be in a form acceptable to the Authority and binding upon all heirs, successors, and assigns of Agent, Applicant and Developer. Such agreement shall be executed prior to preliminary plat approval.

Due to the relatively unproven reliability of land disposal systems within Williamson County, a "back-up" system or redundant wastewater treatment and disposal system must also be identified and bonded. The back-up or redundant system shall include one of the following:

- 1. Commitment from existing publicly owned treatment works (POTW) owned and operated by a public municipal utility to accept the wastewater from the wastewater treatment and disposal system in the event of failure or unacceptable operation of the wastewater treatment and disposal system which creates a public health and safety concern or;
- 2. Provide "back-up" facilities that will duplicate the wastewater treatment and disposal system proposed. This will include all the additional treatment and land disposal systems necessary to provide 100% redundancy to the wastewater treatment and disposal system proposed.

A "back-up" system performance bond equal to 150% of the cost for the redundant system or the cost for connection to the publicly owned treatment works will be provided. This performance bond shall provide sufficient money for all required modifications to the treatment system so the wastewater can be discharged to a publicly owned treatment works (including new sewer facilities and POTW connection fees), or a new treatment and disposal system can be constructed.

X.

The "back-up" system performance bonds shall be in place for the anticipated design life of the wastewater treatment system but in no case shall the performance bond period be less than ten (10) years from 80% build-out of the development.

Applicable provisions of Section IV, "ASSURANCE FOR COMPLETION AND MAINTENANCE OF IMPROVEMENTS", of the Williamson County Subdivision Regulations, concerning the type of acceptable performance bonds and Williamson County Planning Commission's rights under the required bonds are incorporated herein and are made part of these regulations.

1.11 OWNERSHIP OF WASTEWATER TREATMENT AND DISPOSAL SYSTEM SITE

- 1. The wastewater treatment system, storage lagoons and land disposal site(s) and back-up disposal sites shall be owned and operated by the same entity. The treatment system and disposal site shall be dedicated or restricted so the only approved or acceptable use for the land disposal sites shall be for the purpose of providing wastewater treatment and disposal. The use of the land disposal sites as open space in the base site area calculations for subdivisions is prohibited. All of the components of the wastewater system, including the wastewater septic tanks, if required, collection systems, pumping stations, treatment systems and storage lagoons land disposal sites shall be owned and operated by the same entity.
- 2. All required wastewater utility easements shall be shown on plat or site plan. Easements shall be provided to allow access to all components of the treatment system, i.e., septic tanks, pipelines, etc.
- 3. If auxiliary disposal sites are proposed (over and above the minimum area required for satisfactory operation of the treatment and disposal system), these sites will not be required to be owned by the same entity as the wastewater treatment and disposal system. A written contract or agreement between the owner of the treatment system and the owner of the auxiliary disposal site will be required. The contract will require the owner of the auxiliary disposal site to adhere to all conditions and requirements placed on the use of the auxiliary disposal sites by TDEC and/or Williamson County.

1.12 AMENDMENTS

These Regulations may be amended as the public health, safety and general welfare require and in accordance with Tennessee Code Annotated Section 68-221-607(16) (1999).